



W A S H I N G T O N

HEALTH CARE FACILITIES

A U T H O R I T Y

Financing the Health Care Future

Board Members

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Lieutenant Governor

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Toni Hood

Secretary

Department of Health

Umair A. Shah

Public Member

Steven R. Jacobs

Executive Director

Donna A. Murr

**Washington Health Care Facilities Authority
Special Meeting by Teleconference
Thursday, February 11, 2021 Meeting Minutes**

A special meeting of the Washington Health Care Facilities Authority was held by teleconference. Meeting notices were mailed to all members of the Authority, to all persons who requested such meeting notice, and to those members of the media presently on the mailing list for receiving meeting notices of the Washington Health Care Facilities Authority.

Members Present:

David Schumacher, Governor's Designee, Member, Chair
Lieutenant Governor Denny Heck, Member
Toni Hood, Insurance Commissioner's Designee, Member
Steve Jacobs, Public Member

Authority Staff Present:

Donna Murr, Executive Director
Shannon Govia, Assistant Executive Director and Program Manager
Ashlee Frye, Assistant Executive Director and Chief Financial Officer

Others Present:

Rusty Fallis, Authority Assistant Attorney General
Dallas Roberts, Senior Advisor, Office of Lieutenant Governor Heck
Dan Gottlieb, Authority Bond Counsel, Hillis Clark Martin & Peterson P.S.
Christi Jacobsen, Authority Bond Counsel, Hillis Clark Martin & Peterson P.S.
Robyn Helmlinger, Authority Bond Counsel, Orrick Herrington & Sutcliffe LLP
Raul Ardelean, Authority Financial Advisor, Melio & Company
Carrie McCabe, Northwest Kidney Centers
Chad Christoff, Stifel
Joyce Sinakhone, SEIU

Mr. Schumacher called the meeting to order at 2:02 p.m. after noting a quorum was present consisting of himself, Lieutenant Governor Heck, Ms. Hood, and Mr. Jacobs.

Review, discussion and possible action regarding the Minutes from the January 25, 2021 Authority Board Meeting.

Upon motion by Ms. Hood and seconded by Lieutenant Governor Heck, the minutes of the January 25, 2021 Authority meeting were accepted by a roll call vote of 4-0.

Review, discussion and possible action regarding the application for financial assistance submitted by Northwest Kidney Centers (NWKC).

Mr. Govia summarized the application for financial assistance submitted by NWKC. NWKC is a Washington not-for-profit corporation providing outpatient dialysis services at 18 facilities located within King County and one facility each in Pierce County and Clallam County. NWKC supports 346 licensed stations and a home dialysis program for eligible patients. In addition, NWKC provides inpatient dialysis services at eight hospitals. NWKC is applying for a loan for \$80,800,000. Proceeds of the loan will be used (a) to refinance the WHCFA Series 2018A & Series 2019 Bonds, and a taxable loan and a short term commercial loan held by U.S. Bank National Association; (b) to fund (1) the acquisition, construction and equipping costs of a new 11 station outpatient dialysis center at Panther Lake in Kent, WA, (2) the construction and equipping costs of a relocated 10 station dialysis center in Port Angeles, WA, and (3) land acquisition for a new Seattle kidney center that will consolidate three existing facilities in downtown Seattle; (c) to reimburse NWKC for design, planning & permitting costs; and (d) to pay costs of issuance. The financing structure has not yet been determined. It will be structured as either a direct placement or public offering, and the placement agent or underwriter will be Stifel. The primary security is to be determined. Feasibility will be determined by the lender(s) or the bond(s) will be issued based on the investment grade rating of NWKC. A Certificate of Need is required for NWKC's Kent Panther Lake Kidney Center. Certificate of Need #1850 was issued on August 7, 2020. NWKC is currently working with the Department of Health to receive authorization for relocation of certain facilities referenced in the project scope. A TEFRA hearing will be scheduled. The interest rate and loan term will be determined. NWKC estimates that it will save approximately \$5,200,000 over the life of the loan based on current estimated taxable interest rates versus tax-exempt interest rates. This avoided interest expense will favorably impact the future pricing for NWKC patient services, to the benefit of NWKC patients and the community.

Based on its review of the application, Hillis Clark Martin & Peterson P.S., Authority bond counsel, has determined that NWKC and the proposed project are eligible for financing under the Authority's statute, but such determination is subject to further due diligence. Mr. Govia urged the Authority's acceptance of this application.

Mr. Govia introduced Ms. McCabe who provided a brief summary of the services provided by NWKC.

In response to Mr. Jacobs' inquiry regarding the Decision of Non-reviewability process and whether or not the process has a public comment period, Ms. McCabe stated that a public comment period is not required during this process.

There being no further discussion, upon motion by Mr. Jacobs, seconded by Ms. Hood, the application for financial assistance submitted by NWKC was accepted by a 4-0 roll call vote.

Review, discussion and possible action regarding the election of Authority Board Secretary.

The Authority WACs specify that the Authority shall have a secretary and that the “*secretary shall be elected by a majority vote of the members from among themselves*”. (WAC 247-02-040). Ms. Hood has volunteered to serve as Board Secretary.

There being no further discussion, upon motion by Mr. Jacobs, seconded by Lieutenant Governor Heck, Ms. Hood was elected as Authority Board Secretary by a 4-0 roll call vote.

Executive Director’s Report

Ms. Murr reviewed the Executive Director’s Report presented in the board materials, including the status of Authority financings, financial statements, status report and debt service report.

Adjournment:

There being no further business, the meeting was adjourned at 2:23 pm.

Toni Hood, Secretary